



Morning Alert - Friday, July 7, 2017

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HEADLINES

Morning news

All networks continued to give top play to reports on the record rainfall in the Kyushu region, with NHK saying that six people have been confirmed dead and three remain missing.

Top stories in national dailies included a rough agreement reached between Japan and the EU on an EPA (Yomiuri, Nikkei); a plan by Russia to designate the Northern Territories a special economic zone (Sankei); and the heavy rain in Kyushu (Asahi, Mainichi).

INTERNATIONAL

Leaders of U.S., Japan, ROK agree to reinforce cooperation against North Korea

All networks reported this morning that the leaders of the U.S., Japan, and South Korea held a trilateral summit ahead of the G20 summit in Hamburg, Germany, which will begin on Friday evening. It was the first trilateral summit since President Trump and President Moon took office. According to NHK, Prime Minister Abe said at the summit that the latest ICBM launch by North Korea “shows that North Korea has no intention to seriously respond” to the international community and “it is essential for the international community to pressure and urge North Korea to hold serious dialogue.” The premier also reportedly stressed that “holding dialogue for the sake of dialogue” would be meaningless and that the three nations should work closely and seek to adopt a new UNSC resolution that includes strict measures. The network added that the three leaders agreed to increase pressure on Pyongyang and confirmed close cooperation with the U.S., which recently imposed sanctions on Chinese companies and individuals. They also reportedly agreed to send a powerful message at the G20 summit and to urge China to play a more active role.

UNSC undecided on sanctions on North Korea

All papers reported on an emergency UN Security Council meeting held on Wednesday, which failed to reach an agreement on responding to North Korea's ballistic missile test on Tuesday. Asahi wrote that although the U.S. plans to submit a draft sanctions resolution within a few days, Russia opposed additional sanctions on the DPRK and China called for the suspension of U.S.-ROK joint military drills and the THAAD deployment in South Korea. Quoting U.S. Ambassador to the UN Haley as saying with regard to the draft resolution that the U.S. plans to submit, "If you want to be a friend to North Korea, veto it," the papers wrote that the discussions revealed fundamental differences between the U.S., Russia, and China. Mainichi and Yomiuri wrote that the discussions on a new resolution may continue for some time due to the deep schism between the U.S. and Russia.

Japan, EU agree on further sanctions on North Korea

Asahi and Yomiuri wrote that Prime Minister Abe and EU leaders, including European Council President Tusk, issued a joint statement at their talks in Brussels on Thursday saying that Japan and the EU will work together to strengthen the pressure on North Korea by seeking the early adoption of a fresh UNSC resolution. Mainichi wrote that Abe told a news conference that he and the European leaders agreed that North Korea is a common threat and a priority issue for the international community.

Japan, NATO agree on cooperation in maritime security, cybersecurity

Mainichi, Nikkei, and Sankei wrote that Prime Minister Abe and NATO Secretary General Stoltenberg agreed at their meeting at NATO headquarters in Brussels on Thursday that Japan and NATO will enhance cooperation in maritime security and cybersecurity. Abe told a joint press conference after their talks that the international security environment is becoming increasingly severe due to North Korea's nuclear and missile programs and China's increasing activities in the East and South China Seas. Stoltenberg reportedly said that it is clear that North Korea is violating UNSC resolutions and that Pyongyang must comply with its international obligations.

Russia plans to designate Northern Territories as special economic zone

Sankei gave top play to an ITAR-TASS report saying that Russian Deputy Prime Minister Trutnev, who is in charge of the Far Eastern Federal District, stated on Thursday that Moscow has decided to designate the southern part of the Kuril Islands, including the Northern Territories, a special economic zone. Several other papers ran similar inside-page reports, with Nikkei speculating that the statement was intended to give Russia an advantage in its bilateral discussions with Japan on their joint economic activities in the Northern Territories.

ECONOMY

Japan, EU announce agreement on EPA

All papers reported on their front pages that Prime Minister Abe, European Council President Tusk, and European Commission President Juncker announced in Brussels on Thursday that Japan and the EU have reached a broad agreement on an EPA. Abe told a post-meeting joint press conference

that they are proud of the results of their negotiations because they demonstrated their commitment to free trade amid growing protectionist moves. The two parties will aim to reach a final agreement and put the pact into force in early 2019. Nikkei speculated that the Trump administration's protectionist policy prompted Japan and the EU to reach an agreement on an EPA and that the EU was hoping to reach an accord at an early date to maintain its unity. The paper added that Japan is hoping the agreement with the EU will have a positive impact on discussions on a "TPP 11" deal. According to Mainichi, the GOJ will set up a special taskforce led by Prime Minister Abe in response to its agreement with the EU to discuss support for livestock farmers and other measures. Yomiuri wrote that LDP lawmakers who are committed to protecting farmers are dissatisfied with the outcome of the negotiations with the EU.

The papers also wrote that Japan's business leaders welcomed the agreement. Japan Chamber of Commerce and Industry Chairman Mimura was quoted as saying that it is significant that the agreement put the brakes on the trend toward anti-globalization and protectionism. The papers also quoted Japan Automobile Manufacturers Association Chairman and Nissan CEO Saikawa as saying in a statement that he welcomes the agreement based on the expectation that a fair competitive environment will be created as a result.

POLITICS

Abe may reshuffle cabinet, LDP leadership posts in early August

Asahi front-paged a report saying that it has learned from several GOJ sources that Prime Minister Abe has decided to reshuffle his cabinet and the LDP leadership as soon as the beginning of August based on the judgment that it is necessary for his administration and the LDP to renew their leadership following the LDP's recent defeat in the Tokyo metropolitan assembly election. The paper speculated that the premier will begin developing ideas for personnel changes after he returns to Tokyo on July 12 from the G20 summit.

